

## Insurance Program Changes

### Vehicle Registration Suspensions

Effective October 1, 2006, statute requires the department to suspend the registration of a vehicle when:

- The registered owner fails to provide evidence of financial responsibility (hereafter called “insurance”) within 30 days after the issuance of a registration card upon initial registration or transfer of ownership.
- DMV is notified that a policy has been cancelled and a replacement policy has not been submitted within 45 days.
- The registration is obtained by providing false evidence of insurance.

Registration can be reinstated with acceptable proof of insurance and a \$14 reinstatement fee.

### Program Administration

All suspension-related inquiries and correspondence and the payment of reinstatement fees will be handled by the Vehicle Registration Financial Responsibility Program (VRFRP) unit by mail or telephone at 1-866-664-4545. All correspondence from VRFRP will provide the appropriate mailing address to which the vehicle owners must respond.

### How Suspensions Affect Transactions

Applications submitted for vehicles with insurance-related registration suspensions will be handled by the department as follows:

- **Transfer**—The suspension does not transfer to the new owner. The transaction will be processed as usual.
- **Duplicate title or legal owner change only**—The transaction will be processed as usual. “Registration Suspended” will print on the registration card.
- **Duplicate registration card**—The transaction will be RDFed with instructions to contact VRFRP. The department **will not** issue a Temporary Operating Permit. A new registration card **will not** be issued until the registered owner clears the suspension through VRFRP.
- **Substitute license plate and/or stickers**—The transaction will be RDFed with instructions to contact VRFRP. The department **will not** issue a Temporary Operating Permit. Once the registered owner has cleared the suspension through VRFRP the indicia will be issued.

- **Nonresident, Miscellaneous Original, Revived Junk/Salvage, Salvage Certificate, Nonrepairable Certificate Applications**—The suspension will be removed automatically when the transaction clears.
- **Reassignment of a special plate/ELP from a vehicle with suspended registration to another vehicle**—The suspension does not go with the plate. It remains with the vehicle.
- **Assignment of a special plate/ELP to a suspended vehicle**—The transaction will be RDFed with instructions to contact VRFRP. The department **will not** issue a Temporary Operating Permit. When the suspension is cleared by VRFRP, the application must be resubmitted and the special plate/ELP will be assigned.
- **Renewal**—The transaction will be RDFed with instructions to contact VRFRP. The department **will not** issue a Temporary Operating Permit.
- **PNO**—The PNO receipt will show both the PNO and the registration suspension status.

### Vehicle Record Printouts

On R60/R61 printouts when registration is suspended, one of these two messages will display: VEH REG SUSPENDED EFF: MM/DD/CCYY or, when the effective date is unavailable, VEH REG SUSPENDED. Once the suspension is cleared, the message will be deleted.

AFFIDAVIT OF NON-USE RECEIVED will display when the owner has notified VRFRP that the vehicle will not be insured because it will not be used. This message is for insurance use only and does not replace an owner's need for filing PNO status at the end of the current registration year if the vehicle will remain inoperative.

### Background

Although the department has been requiring proof of insurance upon vehicle registration renewal, it has been unable to verify that the insurance remains in effect during the entire registration year. Electronic reporting by insurance companies of insurance information on private-use vehicles and programming changes that take effect October 1, 2006, will allow the department to monitor insurance coverage on original, transfer, and renewal transactions, and to take appropriate action as required by law.

### Questions and Answers

*Q. Must DMV customers now show proof of insurance on transfers and originals?*

A. No.

*Q. Do owners still have to carry insurance information in their vehicles?*

A. Yes. Statute still requires presentation of insurance information to peace officers upon demand.

*Q. If a registered owner changes insurance companies, will the cancellation of the first policy generate a suspension letter?*

A. As long as there is new insurance on file within 45 days, a letter will not be generated.

*Q. If a car buyer fails to get insurance and does not transfer the vehicle in a timely manner, will the prior owner get a suspension letter?*

A. If there is no Notice of Release of Liability (NRL) on file, the prior owner will receive a letter. It will contain information on what to do if the vehicle has been transferred.

*Q. Will the reinstatement fee be included with the renewal fees on a vehicle registration renewal notice?*

A. No. The renewal notice will instruct the customer to contact VRFRP to clear the suspension.

The owner may PNO the vehicle without clearing the suspension, but the suspension must be cleared before the vehicle can be registered again.

*Q. Will registered owners be able to renew vehicles with suspended registrations via the Internet?*

A. No.

*Q. If a registered owner has not yet paid the reinstatement fee but acquires insurance, does the registration automatically become valid?*

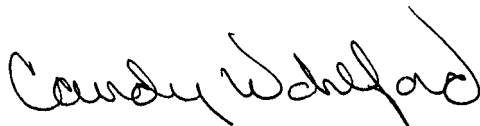
A. No. Both the fee and proof of insurance must be submitted to VRFRP to validate the registration.

## **Distribution**

Notification that this memo is available online at [www.dmv.ca.gov](http://www.dmv.ca.gov) under Publications was made via e-mail alert in September 2006.

## **Contact**

Call the DMV Customer Communications Section at (916) 657-6560 for further clarification of this memo. Upon request, this document can be produced in Braille or large print.



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